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Coke's secret ingredient: The power of storytelling

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How the 120-year old company engages the market in the 21st Century.

Coca-Cola was a product developed during the manufacturing era of the second industrial revolution. In its 120-year history, the world has changed. How does Coca-Cola compete and stay relevant in the 21st century with technology brands like Google and Facebook dominating people's attention? According to **Leonardo O'Grady**, Director ASEAN Integrated Marketing & Communications, Coca-Cola Asia Pacific, the key to success is engaging the market with great story-telling. "We have to create stories and the content needs to be so compelling and so interesting that people are going to want to engage in those stories," he says.

What makes a great story?

A great story is not just a simple narrative. "Stories can come from anywhere," O'Grady told *Perspectives@SMU* on the sidelines of the Marketing Excellence Speaker Series recently. "They can come from an experience, they can come from composed content, they can even come from the conversations you provoke." O'Grady points out that something as fundamental as the iconic Coca-Cola contour bottle can tell a story that speaks to the history and the legacy of the brand.

In Japan, Coca-Cola tries to tell a slightly different story with packaging by launching a water product called I LOHAS. According to O'Grady, this new bottle is made of biodegradable materials and turns into something as thin as paper with a single twist. While the new bottle packaging is a simple concept: it tells a much larger story about sustainability that has had a big impact on Japanese society.

“Through this packaging alone, we were able to create a small revolution in Japan around recycling,” says O’Grady. “It took what was essentially a commodity - water - and made it one of our strongest selling products and also one of our strongest brands.”

According to O’Grady, giving consumers experiences such as this one with the twist bottle can be very powerful, especially when they tap into a larger social issue. “In I LOHAS case, it tapped into an apathy around the environment and people reacted to that. Through the packaging, we created many conversations which led to a massive buzz.”

Coke’s engagement framework

The story around the various bottles taps into Coca-Cola’s brand engagement strategy. In order to be successful, O’Grady says that messaging needs to be social at the heart. “We need to think about ongoing networks and interrelationships between various touchpoints,” he says. “The content we create must be compelling enough to move through the dialogue and sharing between people.”

O’Grady says that Coca-Cola is also willing to take risks with new ideas. He says that Coca-Cola invests 70 percent of its budget on mainstream forms of marketing such as television advertising. However, it also invests 20 percent in innovating against the grain, with things that are not widespread but that are slowly beginning to gain traction, such as apps. Finally, it invests 10 percent in pure experimentation.

Some of these marketing experiments have been hugely successful. For example, O’Grady describes the “hug machine” which is a simple experiment that was carried out at the National University of Singapore (NUS), where if you hugged a coke machine you got a free coke. “That’s a great example of an experience with a very powerful story,” says O’Grady. “It was done during exam period when people were stressed. The objective was to bring a little bit of happiness to that moment for those poor stressed NUS students.”

While relatively few people experienced the hug machine, people filmed it, uploaded it and shared it widely. “It brought value to them and they wanted to share it with other people,” says O’Grady. “The experience created through the immediate response of mobile marketing brought conversations.” What started out as a small experience in Singapore went global. It was covered extensively by the media in the United States and was even mentioned on American Idol. It also came up in China and in Europe.

Your brand must stand for something

While storytelling is the mechanism through which Coca-Cola engages the public, O’Grady says that the stories need to be built on something deeper than the brand represents. “For Coca-Cola, it’s about happiness and optimism. It’s about spreading this happiness and inspiring optimism in others. We believe that if we do this well, it will have an impact on driving our business.”

According to O’Grady it is also important to be alert about the tensions at work within society so that you can respond to them. “Being clear about what your brand stands for allows you to work against these tensions in society and play a cultural leadership role,” he says. For instance, in the midst of the tragic floods that affected Thailand, Coca-Cola wanted to reiterate its message of happiness and optimism in a difficult time, to make people’s lives better.

“The team there launched a genuine effort to try to take the nation of a million smiles and make it that way again. They created a whole set of activations that reminded the Thai people about what

they had to be happy and proud about, and why they could get through this. We invited people to share their own stories of optimism and strength.”

This is an example of Coke taking a cultural position of optimism in society in the face of serious social instability. O’Grady says that this campaign did a world of good and allowed Coke to become part of people’s own dialogues. In the end, the stories that brands tell can become much more than their products. If a brand stands for something, these stories can speak to issues at the very heart of a society.